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C O N F I D E N T I A L STATE 187771

FOR ASSISTANT SECRETARY LEWIS

FOLLOWING REPEAT GENEVA 6072 ACTION SECSTATE INFO EC BRUSSELS

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QUOTE C O N F I D E N T I A L GENEVA 6072

E.O. 11652: GDS

TAGS: ECOSOC, EGEN, PFOR, PGOV

SUBJECT: 61ST ECOSOC: US PROPOSAL ON ILLICIT PAYMENTS

REF: A. GENEVA 6027; B. MYERSON/FELDMAN(L) TELCON

1. SUMMARY: OUR INFORMAL EFFORTS WITH THE G-77 REMAIN INCONCLUSIVE AS OF COB JULY 28. OUR SUPPORTERS, LED BY IRAN, NOW AIM AT AN INFORMAL G-77 WORKING GROUP THE VMRNING OF JULY 29 IN AN EFFORT TO CRYSTALIZE THE SITUATION. THE DEADLINE FOR SUBMITTING DRAFT RESOLUTIONS IN THE ECONMIC COMMITTEE, WHERE THIS ITEM IS BEING CONSIDERED, IS SIX P.M. JULY 29. UNDER THE CIRCUMSTANCES, IT IS OUR BEST JUDGEMENT THAT THE US DELEGATION SHOULD SUBMIT THE RESOLUTION BEFORE THE DEADLINE FOR REASONS EXPLAINED IN THIS TELEGRAM. WILL APPRECIATE URGENT GUIDANCE. END SUMMARY.

2. THE STATUS OF THE US PROPOSAL ON ILLICIT PAYMENTS REMAINS ABOUT AS DESCRIBED IN THE REFTEL. THERE STILL CONFIDENTIAL

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APPEARS TO BE BROAD, THOUGH FRAGILE, SUPPORT FOR

OUR PROPOSAL; OPPOSITION BY AT LEAST THREE OR FOUR INFLUENTIAL COUNTRIES IN THE G-77; AND SOME STANDING ON THE SIDELINES. IN THE ECONOMIC COMMITTEE DURING THE GENERAL DEBATE ON THE TNC ITEM, SEVERAL SPEAKERS, WERE POSITIVE ON US PROPOSAL (UK, IRAN, GREECE) AND MANY OTHERS WERE SYMPATHETIC TO SOME CONCRETE ACTION BEING TAKEN ON ILLICIT PAYMENTS. ALGERIA SAID THAT IF THE US PROPOSAL WAS NOT MERELY AN ELECTION YEAR PLOY AND WOULD NOT DELAY WORK ON A CODE OF CONDUCT, IT SHOULD BE CONSIDERED ON ITS MERITS. EVEN CUBA AND NIGERIA, IN ALLUDING TO THIS SUBJECT, SEEMED LESS HARSH THAN EXPECTED, VENEZUELA SOUNDED NEUTRAL.

3. SOME OF THE G-77 HELD AN INCONCLUSIVE DISCUSSION ON OUR PROPOSAL THE MORNING OF JULY 28. UNFORTUNATELY, HOWEVER, AN AFTERNOON SESSION AT WHICH WE HAD STRONGLY URGED THE IRANIANS TO BRING MATTERS TO A HEAD WAS PRE-EMPTED BY NEGOTIATION ON THE OMNIBUS ECONOMIC ITEM IN THE SPECIAL ECONOMIC COMMITTEE. THE IRANIANS ARE TRYING TO ORGANIZE A SUBSTANTIAL G-77 GROUP ON THIS SUBJECT THE MORNING OF JULY 29, BUT WE CANNOT BE CERTAIN THAT MEETING, IF HELD, WILL RESULT IN CLEAR G-77 POSITION.

4. UNDER THE CIRCUMSTANCES AND IN CONTEXT OF OPTIONS IN REFTEL, WE RECOMMEND THAT THE DELEGATION BE AUTHORIZED TO CIRCULATE THE DRAFT RESOLUTION PRIOR TO THE ECONOMIC COMMITTEE DEADLINE FOR INTRODUCTION OF PROPOSALS ON THIS ITEM. THE DEADLINE IS SIX P.M. GENEVA TIME JULY 29. WE WOULD NOT SEEK CO-SPONSORS IN ADVANCE, AS THE FEW WE MIGHT OBTAIN WITH CONSENSUS IN DOUBT WOULD BE SEEN AS INDICATION OF WEAKNESS RATHER THAN SUPPORT AND WOULD LESSEN OUR FLEXIBILITY ON FUTURE HANDLING OF RESOLUTION.

5. ON FOREGOING SCHEDULE, WE WOULD MOST PROBABLY MAKE A SHORT INTRODUCTORY STATEMENT PRESENTING THE RESOLUTION IN COMMITTEE ON FRIDAY MORNING.

6. TABLING THE RESOLUTION IS NECESSARY TO PRESERVE OUR OPTIONS EITHER TO MOVE IT TO A VOTE OR TO HAVE IT REFERRED TO THE GA FOR FURTHER CONSIDERATION THIS FALL.

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7. WE SHALL NATURALLY CONTINUE TO PUSH FOR AN INFORMAL UNDERSTANDING WITH THE G-77 PERMITTING THE RESOLUTION TO PASS AT THIS ECOSOC BY CONSENSUS. OUR BEST GUESS IS THAT A VOTE WOULD COME ONLY IF THE US CALLED FOR IT. WHILE IT IS AS YET IMPOSSIBLE TO GET A RELIABLE HEAD COUNT GIVEN THE MANY UNCERTAINTIES IN THE SITUATION, THE DELEGATION'S PRESENT ESTIMATE IS THAT WE WOULD LOSE A VOTE PRIMARILY DUE TO DYNAMICS OF G-77 UNITY AND THE FACT THAT THE SOVIET BLOC AND CHINESE WOULD AUTOMATICALLY VOTE

WITH THE MAJORITY OF THE G-77. WE WOULD PROBABLY HAVE A FAIR NUMBER OF DEVELOPED COUNTRY VOTES, A SUBSTANTIALLY LARGER NUMBER OF NEGATIVE LDC AND SOCIALIST VOTES, AND A DISPROPORTIONATELY LARGE NUMBER OF ABSTENTIONS. THE LATTER WOULD REPRESENT AT LEAST A FEW DEVELOPED COUNTRIES AND SOME G-77 COUNTRIES THAT BASICALLY FAVOR OUR APPROACH OR ARE NEUTRAL BUT WHICH WOULD BE UNWILLING TO GET CAUGHT IN THE MIDDLE OF A FIGHT.

8. IT IS LIKELY THAT, DESPITE THE SHORTAGE OF TIME, TABLING OF OUR RESOLUTION WOULD LEAD TO A CONTACT GROUP OF SOME SORT TO HAVE ONE MORE TRY AT CONSENSUS. ONE TELLING POINT IN FAVOR OF TABLING THE RESOLUTION IS THAT, WITH LITTLE TIME LEFT FOR THE ECONOMIC COMMITTEE TO COMPLETE ITS WORK, OTHER DELETATIONS WILL SOON CONCLUDE EITHER THAT THE US HAS BEEN FRIGHTENED OFF, OR THAT WE WERE NOT VERY SERIOUS ALL ALONG. WE OF COURSE WANT TO AVOID GIVING EITHER IMPRESSION. SUCH A PERCEPTION WOULD SERIOUSLY ERODE OUR SUPPORT.

9. DELEGATION IS MOST GRATEFUL FOR WASHINGTON BACKSTOPPING ON THIS DIFFICULT MATTER. ABRAMS
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